

# **Colfax Township**

Wexford County, Michigan

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Audited Financial Statements

March 31, 2008

Jay Thiebaut, P.C.  
Certified Public Accountant  
Cadillac, Michigan

# Auditing Procedures Report

Instructions and MuniCodes

=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name	COLFAX TOWNSHIP	County	WEXFORD	Type	TOWNSHIP	MuniCode	
Opinion Date-Use Calendar	Sep 30, 2008	Audit Submitted-Use Calendar	Oct 31, 2008	Fiscal Year End Month	03	Fiscal Year	2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> ?	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/> ?	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/> ?	18. Are there reported deficiencies?
	19. If so, was it attached to the audit report?

General Fund Revenue:	? \$ 103,273.00
General Fund Expenditure:	? \$ 66,519.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	? \$ 476,382.00
Governmental Activities Long-Term Debt (see instructions):	?

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)	JAY	Last Name	THIEBAUT	Ten Digit License Number	1101008987
CPA Street Address	222 HOWARD ST	City	CADILLAC	State MI	Zip Code 49601
CPA Firm Name	JAY THIEBAUT PC CPA	Unit's Street Address	3283 E. 24 ROAD	Unit's City	CADILLAC
				Unit's Zip	49601

**Colfax Township**  
Wexford County, Michigan  
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**Colfax Township**  
Wexford County, Michigan  
Board Members  
March 31, 2008

Supervisor

Arvid Dussel

Clerk

Rebecca Stoddard

Treasurer

Janet Tidey

Trustee

Linda Costello

Trustee

Jay Roundhouse

**Jay Thiebaut, P.C.**

Certified Public Accountant

P.O. Box 807

Cadillac, Michigan 49601

Telephone 231-775-0174

**INDEPENDENT AUDITOR'S REPORT**

To the Township Board  
Colfax Township  
Wexford County, Michigan

I have audited the accompanying financial statements of the governmental activities and each major fund of Colfax Township as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Colfax Township, as of March 31, 2008 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information identified in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United State of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Township has not presented the Management's Discussion and Analysis information that accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be part of, the basic financial statements.



Jay Thiebaut P.C.  
Certified Public Accountant  
September 30, 2008

## Basic Financial Statements

## Colfax Township

### Statement of Net Assets March 31, 2008

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 326,193
Investments	149,480
Receivables	709
Capital assets, net	<u>175,934</u>
<b>Total assets</b>	<b><u>\$ 652,316</u></b>
<b>Net assets</b>	
Investment in capital assets, net of related debt	\$ 175,934
Restricted for telecommunications right of way	9,640
Unrestricted	<u>466,742</u>
<b>Total net assets</b>	<b><u>\$ 652,316</u></b>

See notes to financial statements.

## Colfax Township

### Statement of Activities Year Ended March 31, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
<b>Governmental activities</b>			
General government	\$ 61,088	\$ 9,961	\$ 51,127
Public safety	27,099	-	27,099
Parks and recreation	7,744	-	7,744
<b>Total governmental activities</b>	<b><u>\$ 95,931</u></b>	<b><u>\$ 9,961</u></b>	<b><u>85,970</u></b>
<b>General revenues</b>			
Taxes			45,746
State sources			52,494
Interest			19,491
Other			2,680
<b>Total general revenues</b>			<b><u>120,411</u></b>
<b>Changes in net assets</b>			<b>34,441</b>
<b>Net assets-beginning of year</b>			<b><u>617,875</u></b>
<b>Net assets-end of year</b>			<b><u>\$ 652,316</u></b>

See notes to financial statements.



## Colfax Township

Balance Sheet  
Governmental Funds  
March 31, 2008

	<u>General</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 326,193
Investments	149,480
Due from other funds	<u>709</u>
<b>Total assets</b>	<b><u>\$ 476,382</u></b>
<b>Fund balances</b>	
Reserved for telecommunications right of way	\$ 9,640
Unreserved and undesignated	<u>466,742</u>
Total fund balance	<u>476,382</u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 476,382</u></b>

See notes to financial statements.

## Colfax Township

### Reconciliation of the Balance Sheet of Governmental Funds to Net Assets of Governmental Activities March 31, 2008

<b>Total fund balances for governmental funds</b>	<b>\$ 476,382</b>
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Total net assets for governmental activities in the statement  
of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>175,934</u>
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<b>Net assets of governmental funds</b>	<b><u>\$ 652,316</u></b>
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## Colfax Township

### Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

Year Ended March 31, 2008

		Special Revenue Fund	
	General	Fire	Total Governmental
<b>Revenues</b>			
Taxes	\$ 18,647	\$ 27,099	\$ 45,746
State sources	52,494	-	52,494
Charges for services	9,961	-	9,961
Interest	19,491	-	19,491
Other	2,680	-	2,680
<b>Total revenues</b>	<b>103,273</b>	<b>27,099</b>	<b>130,372</b>
<b>Expenditures</b>			
General government			
Council	16,674	-	16,674
President	5,233	-	5,233
Assessor	8,444	-	8,444
Clerk	7,693	-	7,693
Board of review	644	-	644
Treasurer	12,103	-	12,103
Buildings and grounds	1,071	-	1,071
Cemetery	5,564	-	5,564
Public safety	-	27,099	27,099
Parks and recreation	7,744	-	7,744
<b>Total expenditures</b>	<b>66,519</b>	<b>27,099</b>	<b>93,618</b>
<b>Excess of revenues over (under) expenditures</b>	<b>36,754</b>	<b>-</b>	<b>36,754</b>
Fund balance-beginning of year	439,628	-	439,628
<b>Fund balance-end of year</b>	<b>\$ 476,382</b>	<b>\$ -</b>	<b>\$ 476,382</b>

See notes to financial statements.

## Colfax Township

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended March 31, 2008

<b>Net changes in fund balances-total governmental funds</b>	<b>\$ 36,754</b>
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Total change in net assets reported for government activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	4,081
Depreciation expense	<u>(6,394)</u>

<b>Changes in net assets of governmental activities</b>	<b><u>\$ 34,441</u></b>
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## Colfax Township

### Fiduciary Funds Statement of Net Assets March 31, 2008

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 14,462
Due from other units	<u>1,710</u>
 Total assets	 <b><u>\$ 16,172</u></b>
<b>Liabilities</b>	
Due to other funds	\$ 709
Due to other units of government	<u>15,463</u>
 Total liabilities	 <b><u>\$ 16,172</u></b>

See notes to financial statements.

**Colfax Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2008

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Colfax Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The following is a summary of the significant policies used by the Township:

**Reporting Entity**

Colfax Township ("the Township") is a municipal entity governed by an elected Board. The Township, for financial purposes, includes all of the funds relevant to the operations of Colfax Township. The financial statements herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from Colfax Township.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds (when applicable) even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Colfax Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2008

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as well expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund accounts for revenue and expenditures for fire protection services provided by the township.

The Township also has a fiduciary fund. The Current Tax Collection Fund accounts for property taxes and other deposits collected on behalf of other units and individuals. Fiduciary funds are custodial in nature and are not included in the government-wide financial statements.

Private-sector standards of accounting issued prior to December 1, 1989 are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Government Accounting Standards Board.

**Colfax Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2008

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the government's tax collection function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues for the functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenue includes all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted assets first, then unrestricted resources as they are needed.

**Assets, liabilities, and net assets or equity**

Deposits and investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, short-term investments with a maturity of three months or less when acquired. Deposits are recorded at cost.

Receivables and payables – In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and any business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of allowance for uncollectible amounts. Property taxes are levied on December 1 on property values assessed as of December 31 of the prior year. Taxes are due on or before March 1, after which the taxes are considered delinquent and penalties and interest may be charged. All delinquent real property taxes are purchased by the county tax revolving fund so the Township collects 100% of the real property tax levy. Delinquent personal property tax is not material is recorded as collected.

Capital assets – Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated cost, if purchased or constructed. The reported value does not include normal maintenance and repairs that do not increase the capacity of or extend



**Colfax Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2008

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

the useful life of the asset. In the case of donated assets, the government values the assets at estimated fair value of the assets as of the date of the donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Equipment	5 to 10 years

Fund equity – In the fund financial statements, governmental funds report reservations of fund balance (when applicable) for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Designations of fund balance represent management plans that are subject to change.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosure of contingent assets and liabilities at the date of the reporting period. Actual results could differ from those estimates.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary information**

The Township follows these budgeting procedures that are in accordance with Michigan Statutes. Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles.

1. Budgets are adopted for the General Fund and all Special Revenue Funds.
2. Budget appropriations are adopted before the beginning of each fiscal year.
3. Both budgeted and actual financial results cannot incur a deficit (including an available un-reserved surplus).
4. Amendments to the budget are made prior to over expenditures and before the fiscal year end.
5. Budgetary control is exercised at the activity level. The clerk is authorized to transfer budgeted amounts between line items within an activity; however, any revisions that alter the total expenditures of an activity require the approval of the Township board.

The Township does not use encumbrances. Budget appropriations are considered to be spent when goods are received or services rendered.

**Colfax Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2008

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91 authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office located in Michigan. Local units are allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. Also, United States government or federal agency obligations; reverse repurchase agreements, bankers acceptance of United States Banks, commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase, obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade, and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Township Board has authorized cash and cash equivalents to be in federally insured depository institutions. These cash accounts can be checking, savings, money markets, or certificates of deposit with original maturities of three months or less. Additionally, the Township Board specifically authorizes each depository institution.

At March 31, 2008, all cash and cash equivalents were on deposit with federally insured depository institutions. The bank balance was \$340,655 as of March 31, 2008, \$100,000 of which was covered by federal depository insurance and \$240,655 was uninsured and unsecured.

**NOTE 4 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS**

Michigan Statutes provides that a Township shall not incur expenditures in excess of the amount appropriated.

The unfavorable variances as shown on the Budgetary Comparison Schedules for the General Fund and Fire Fund are not considered material violations as described in Michigan Statute due to the conditions and events that gave rise to these variances and the adequacy of the budgetary system.

**NOTE 5 – RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended March 31, 2008, the Township carried commercial insurance to cover all risks of losses. The Township had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

**Colfax Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2008

**NOTE 6 – CAPITAL ASSETS**

Capital assets activity of the primary government for the current year is as follows:

	Balance 04-01-07	Additions	Reductions	Balance 03-31-08
Land	\$ 89,885	\$ -	\$ -	\$ 89,885
Buildings and improvements	96,826	-	-	96,826
Equipment	48,253	4,081	-	52,334
Total depreciable assets	234,964	4,081	-	239,045
Less accumulated depreciation	(56,717)	(6,394)	-	(63,111)
Capital assets, net	<u>\$ 178,247</u>	<u>\$ (2,313)</u>	<u>\$ -</u>	<u>\$ 175,934</u>
Depreciation Expense - Governmental Activities:				
General Government		<u>\$ 6,414</u>		

**NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES**

	Due From Other Funds	Due to Other Funds
General fund		
Tax collection fund	\$ 709	\$ -
Tax collection fund		
General fund	-	709
Totals	<u>\$ 709</u>	<u>\$ 709</u>

**NOTE 8 – RESERVED FUND BALANCE**

In compliance with generally accepted accounting principles and to meet certain legal requirements, the Township has reserved fund balance in the amount of \$9,640 for telecommunications right of way.

**Colfax Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2008

**NOTE 9 - INVESTMENT**

On November 26, 1988, the Township Board authorized the investment of \$50,723 in a U.S. Single Premium Deferred Annuity from Jackson National Life Insurance Company through the firm of Larkin Financial Services. An additional investment of \$10,000 was made March 27, 1990. In opinion No. 6478 dated October 29, 1987, State Attorney General Frank J. Kelly stated that:

"The legislative or governing body of a Township, by resolution, may authorize the investment of surplus funds in bonds and other direct obligations of the United States or an agency or instrumentality of the United States."

It has not been determined if this investment is legal or illegal. This matter has been referred to the Michigan Department of Treasury. This investment is not insured by federal depository insurance and is uncategorized as to risk for investment risk classification purposes.

The Township Board has authorized all dividends to be reinvested in the annuities. The annuities have an accumulated value as follows:

	03-31-08
Original Investment	\$ 50,723
Additional Investment	10,000
Dividends reinvested	113,757
Cash withdrawals	<u>(25,000)</u>
Total annuity	<u>\$ 149,480</u>

**NOTE 10 – JOINT FIRE DISTRICT**

The Township is a member of the Colfax-Greenwood Fire Department. The Fire Department is a joint venture of Colfax and Greenwood Townships. The Department provides fire protection for the townships. The Department is funded by property taxes levied by the townships. The following information was taken from the Fire Department's audited financial statements as of March 31, 2007.

Total assets	55,048
Fund Balance-unreserved	52,154
Total receipts	40,350
Total disbursements	29,571
Net increase (decrease) in fund balance	10,779

## Required Supplementary Information

## Colfax Township

### Budgetary Comparison Schedule General Fund Year Ended March 31, 2008

	Budgeted Amounts		Actual	Variance with Final Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 18,960	\$ 18,960	\$ 18,647	\$ (313)
State sources	52,000	52,000	52,494	494
Charges for services	12,365	12,365	9,961	(2,404)
Interest	12,000	12,000	19,491	7,491
Other	230	230	2,680	2,450
<b>Total revenues</b>	<b>95,555</b>	<b>95,555</b>	<b>103,273</b>	<b>7,718</b>
<b>Expenditures</b>				
General government				
Township Board	25,060	25,060	16,674	8,386
Supervisor	5,515	5,515	5,233	282
Assessor	9,300	9,300	8,444	856
Clerk	10,690	10,690	7,693	2,997
Board of review	925	925	644	281
Treasurer	9,607	9,607	12,103	(2,496)
Elections	0	-	1,349	(1,349)
Building and grounds	1,800	1,800	1,071	729
Cemetery	6,010	6,010	5,564	446
Parks and recreation	7,040	7,040	7,744	(704)
<b>Total expenditures</b>	<b>75,947</b>	<b>75,947</b>	<b>66,519</b>	<b>9,428</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ 19,608</b>	<b>\$ 19,608</b>	<b>36,754</b>	<b>\$ 17,146</b>
Fund balance-beginning of year			439,628	
<b>Fund balance-end of year</b>			<b>\$ 476,382</b>	

## Colfax Township

### Budgetary Comparison Schedule Fire Fund Year Ended March 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 24,000	\$ 24,000	\$ 27,099	\$ 3,099
<b>Expenditures</b>				
Public safety	<u>24,000</u>	<u>24,000</u>	<u>27,099</u>	<u>(3,099)</u>
<b>Excess of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance-beginning of year			<u>-</u>	
<b>Fund balance-end of year</b>			<u><b>\$ -</b></u>	

**JAY THIEBAUT, P.C.**

CERTIFIED PUBLIC ACCOUNTANT

222 Howard Street

P.O. Box 807

Telephone 231-775-0174

Cadillac, Michigan 49601

Fax 231-775-6451

To the Members of the Township Board  
Colfax Township  
Wexford County, Michigan


In planning and performing my audit of the financial statements of Colfax Township as of and for the year ended March 31, 2008 in accordance with auditing standards generally accepted in the United States of America, I considered its internal control over financial reporting (internal controls) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the governmental unit's internal control. Accordingly, I do not express an opinion on the effectiveness of the governmental unit's internal control.

My consideration of internal control was the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements in a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. I consider the following deficiencies to be significant deficiencies in internal control.

1. Lack of segregation of duties.
2. Lack of controls to produce GAAP financial statements.

This communication is intended solely for the information and use of the Township Board and the Department of Treasury, Local Audit Division of the State of Michigan and is not intended to be and should not be used by anyone other than these specified parties.

  
Jay Thiebaut, P.C.  
Certified Public Accountant

September 30, 2008